

CHAPTER L28

LAGOS STATE ESTATE AGENCY REGULATORY AUTHORITY LAW

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Ch.L28

Lagos State Estate Agency Regulatory Authority Law

**LAGOS STATE ESTATE AGENCY REGULATORY
AUTHORITY LAW**

**A LAW TO PROVIDE FOR THE ESTABLISHMENT OF THE
LAGOS STATE ESTATE AGENCY REGULATORY AUTHORITY
AND FOR CONNECTED PURPOSES**

[Commencement]

[18th May, 2007]

TIE LAGOS STATE HOUSE OF ASSEMBLY enacts as follows:

1. Establishment of the Authority

(1) There is established the Lagos State Estate Agency Regulatory Authority (referred to in this Law as “the Authority”).

(2) The Authority shall—

- (a) be a body corporate with perpetual succession and a common seal;
- (b) sue or be sued in its own name; and
- (c) acquire, hold and dispose of any property or interest in property, movable or immovable for the purposes of carrying out its functions under this Law.

2. Board of Directors

(1) The Governing Body of the Authority shall be a Board of Directors (referred to in this Law as “the Board”).

- (2) (a) The Board of Directors shall formulate policies for the Authority and ensure that the Authority’s administration and operations strictly conform with the provisions of the enabling law;
- (b) all members of the Board excluding the General Manager shall be appointed to serve on a part-time basis;
- (c) there shall be paid to the members of the Board, not being officers of the Civil Service of the State, such honoraria, transportation and other allowances as well as other expenses reasonably incurred on behalf of the Authority;
- (d) the Board shall be directly responsible to the Governor.

3. Membership

(a) The Chairman and other members of the Board shall be appointed by the Governor.

(b) The membership of the Board shall consist of—

- (i) nine (9) persons who are practising profession possessing qualifications for appointment to the Service of the State such as a registered Estate Surveyor and Valuer;
- (ii) a Legal Practitioner;
- (iii) a registered Architect;
- (iv) a registered Engineer;
- (v) a Social Scientist;
- (vi) a registered Town Planner;
- (vii) a registered Quantity Surveyor;
- (viii) a professional Accountant/Economist;
- (ix) a representative of Estate Agents, who shall be a member of the Estate, Rent and Commission Agents Association.

(c) All the members shall have ten (10) years' experience each and one of whom shall be the Chairman.

(d) The General Manager of the Authority; and

(e) any other person who, in the opinion of the Governor, is of good character and integrity.

4. Quorum and Voting

(1) The quorum at any meeting of the Board shall be six (6) members.

(2) All questions at any meeting of the Board shall be determined by a majority of votes of the members present and voting.

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5. Standing Orders of the Board

The Board shall issue standing orders with respect to the holding of meetings of the Board. The notices for such meetings, its proceedings, the keeping of proceedings and custody or the production for inspection of such minutes and the procedure of the Board with respect to holding of meetings shall be such as the Board shall determine.

6. Disclosure of interest by members of the Board

A member of the Board who is in any way directly or indirectly interested in a transaction of the Authority or before the Authority, shall disclose the nature of his interest at a meeting of the Board and the disclosure shall be recorded in the minutes book of the Authority, and the member shall not take part in any deliberation or decision of the Board with respect to the transaction or matter.

7. Signification of Authority

(1) Anything done or required to be done by the Authority in accordance with its functions under the provisions of this Law, shall be signified under the hand of the Chairman and the Secretary or of any officer who has been authorised by the Board for this purpose.

8. Functions of the Authority

- (1) The Authority shall perform the following functions—
- (a) prepare rules and regulations for the practise of Estate Agency in the State;
 - (b) identify persons eligible to be licensed as Estate Agents;
 - (c) issue and renew licences annually;
 - (d) maintain a register of licensed Estate Agents;
 - (e) sanction unlicensed Estate Agency practitioners in the State;
 - (f) organise monitoring teams and conduct inspections in order to ensure compliance with the Law;
 - (g) investigate complaints and petitions against Licensed Estate Agency practitioners;
 - (h) collate data on property transactions;

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- (i) ensure and confirm the payment of fees, taxes or charges on property transactions, i.e. Withholding Tax, Value Added Tax, Estate Duty, Tenement Rate, and Outgoings as shall be imposed or charged by the Authority or any other Government Agency;
- (j) organise seminars, symposia/workshops or other training sessions for Licensed Estate Agency Practitioners. Registered Property Developers and other Stakeholders;
- (k) liaise with other inter-related bodies, i.e. Lagos State Physical Development Board, Local Planning Authority, etc. for the purpose of collecting and collating data on newly approved developments;
- (l) provide consultancy services on housing data and connected matters to stakeholders, i.e. Students, Engineers, Property Developers, Estate Surveyors and Valuers, Town Planners, Land Surveyors, Estate Agency practitioners, Builders, etc. operating in the State;
- (m) do anything for the purpose of advancing the skill of persons employed by the Authority, including the provision of facilities for training, education and research;
- (n) insure its property against all forms of risks;
- (o) operate a Staff Housing Scheme; and
- (p) draw up, with the approval of the Governor, Staff Regulations, Scheme of Service, Financial Regulations, Standing Orders and other Regulations or Rules as shall be considered necessary, advantageous or convenient for the efficient running of the Authority.

(2) At any meeting of the Board, each member shall have one vote and if there is any equality of votes, the Chairman of the meeting shall be entitled to a casting vote.

9. Structure of the Authority

(1) There shall be for the Authority the General Manager, to be appointed by the Governor and who shall be a retired or serving Civil Servant of not less than a Director level in Service.

(2) The General Manager shall be the Chief Executive and shall be responsible for the implementation of the policy decisions of the Authority and for the day-to-day administration of the affairs of the Authority.

(3) The General Manager shall be assisted by at least five (5) Heads of Department in the day-to-day administration of the Authority, namely—

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- (a) Finance and Administration;
- (b) Control and Monitoring;
- (c) Law Enforcement Department;
- (d) Internal Audit Department; and
- (e) Media Department.

(4) There shall be the Head of Finance Department an administrative officer not below Grade Level 14.

(5) The officer shall be responsible to the General Manager and shall perform the following duties—

- (a) assist the General Manager in the administration of the Authority, particularly on matters relating to policy formulation, interpretation, execution and review;
- (b) co-ordinate the activities of the Finance and Administration Department;
- (c) co-ordinate the budgetary (Capital, Rolling Plan/Work Plan) and financial matters of the Authority;
- (d) co-ordinate the collation of quarterly, bi-yearly, annual and other reports;
- (e) co-ordinate the implementation of capital projects of the Authority;
- (f) supervise all establishment matters in the Authority;
- (g) co-ordinate the collation of Annual Performance Evaluation Report of the staff;
- (h) co-ordinate staff appointments, promotions and discipline;
- (i) preside over Personnel Management Board (Junior Staff Committee);
- (j) liaise with other relevant Agencies such as the Civil Service Commission, Ministry of Physical Planning and Urban Development, Ministry of Economic Planning and Budget, Office of the Chief of Staff, Public Service Office, Ministry of Finance and Parastatal Monitoring Office on matters affecting the Authority;
- (k) ensure overall co-ordination of office maintenance, repair of office furniture and other equipment and janitorial services;

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- (l) oversee matters affecting security and staff welfare; and
- (m) discharge other duties as shall be assigned by the General Manager.

(6) The Finance and Administration Department shall have control and direction the following three units—

- (a) General Administration Unit;
- (b) Accounts Unit; and
- (c) Planning and Supplies Unit.

10. Control and Monitoring Department

(1) The Department shall be headed by an officer not below Grade Level 14 and shall be a registered member of the Nigerian Institute of Estate Surveyors and Valuers (NIESV).

(2) He shall be responsible to the General Manager and perform the following duties—

- (a) consideration of applications for licensing as Estate Agents;
- (b) verifying information submitted by applicants;
- (c) determining suitability of applicants;
- (d) issuing licences to qualified and successful applicants and maintaining a register for Licensed Estate Agents;
- (e) renewing licences annually;
- (f) monitoring licensed Estate Agents and the Enforcement Department;
- (g) reporting defaulters to the Legal and the Enforcement Department;
- (h) investigating complaints and petitions made against licensed Estate Agents by the public;
- (i) collecting and collating data on real estate transactions;
- (j) determining the structural condition of existing buildings and their services and advising on their maintenance, altering improvement; and
- (k) discharging any other duties that may be assigned by the General Manager.

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(3) The Control and Monitoring Department shall consist of the following four Units:

- (a) Registry Unit;
- (b) Control Unit;
- (c) Investigation/Compliance; and
- (d) Data Collection Unit.

11. Legal and Enforcement Department

(1) The Head of the Department shall be a Legal Officer not below Grade Level 14 and shall also act as the Secretary and Legal Adviser to the Authority.

(2) He shall be responsible to the General Manager.

(3) He shall perform the following duties—

- (a) make arrangements for the meetings of the Board;
- (b) prepare the agenda and the minutes of such meetings;
- (c) convey decisions of the Board to members of the Board;
- (d) arrange for payment of fees, honoraria, allowances and other expenses of meetings or other matters affecting members of the Board;
- (e) prosecute defaulters, such as unlicensed Estate Agents or unregistered Property Developers and other contraventions under the enabling Law;
- (f) design and co-ordinate the service of notices on the owners/occupiers or developers of abandoned or uncompleted buildings or structures that pose danger to the health and safety of the public;
- (g) ensure compliance with the advice of the Authority on the condition of existing buildings;
- (h) advise the Authority on legal implications of its proposed actions;
- (i) verify documents submitted to the Authority in conjunction with other Departments;
- (j) institute or defend actions by or against the Authority; and

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- (k) discharge any other duties as shall be assigned to him by the General Manager.
- (4) The Department shall consist of two (2) Units—
 - (a) the Legal Unit; and
 - (b) the Enforcement Unit.

12. Internal Audit Department

An officer not below Grade Level 14 shall head the Audit Department and shall perform the following duties—

- (a) auditing all payment vouchers of the Authority;
- (b) auditing the Vote Books;
- (c) auditing the salaries and emoluments of staff of the Authority;
- (d) auditing the revenue accruing to and disbursed by the Authority;
- (e) ensuring reconciliation of all financial transactions of the Authority;
- (f) repairing and submitting audited accounts/statements of the Authority to the General Manager; and
- (g) discharging any duties that may be assigned by the General Manager.

13. Media and Publicity Department Internal

An officer not below Grade Level 14 shall head the Public Relations Department and shall perform the following duties—

- (1) co-ordination of general Public Relations/Publicity activities of the Authority;
- (2) gathering and dissemination of information to the public on the activities of the Authority;
- (3) co-ordinating the awareness campaign of the activities of the Authority;
- (4) organising regular press briefing of the activities of the Authority;
- (5) ensuring the publication or printing of the activities of the Author in brochures, programmes or in any other permanent form;

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- (6) the Department shall consist of two (2) Units:
- (a) the Media Unit; and
 - (b) the Publicity Unit.

14. Publicity Department Staffing

(1) The Authority shall commence operation with some professional staff from the State Civil Service.

(2) The Authority may engage on contract basis the services of local enumerators with minimum educational qualification of WASC/GCE/NECO School Leaving Certificate with credit in English Language and Mathematics, on contract basis.

(3) The Authority shall also have power to employ additional staff for its operations.

15. Office Accommodation

The Management of every Local Government Council shall provide an office space to serve as branch office, which shall meet the minimum standard of the International Labour Organisation (ILO), to enhance productivity.

16. Take-Off Grant

The State Government shall allocate to the Authority a take-off grant which shall be utilised by the Authority for its preliminary or initial operational and financial expenses.

17. Remuneration of Staff

(1) The State Government shall pay salaries and allowances of the staff.

(2) The Authority shall pay the remuneration of the field workers, i.e. enumerators from the grants received from the State Government and shall pay to every employee and staff some allowances on monthly or quarterly basis as shall be deemed necessary by the Management of the Authority.

18. Sources of Revenue for the Authority

The Authority shall have the power to generate its revenue from the following sources—

(1) Sale of application forms: The Authority may charge a minimum sum of five thousand Naira (₦5,000.00) only for individuals or corporate bodies respectively as application form fee.

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(2) Issuance of Licences: The Authority may charge a minimum sum of five thousand Naira (₦5,000.00) or ten thousand Naira (₦10,000.00) only as licensing fees for individuals or corporate bodies respectively.

(3) Renewal of Licences: The Authority may charge a minimum sum of twenty thousand Naira (₦20,000.00) or forty thousand Naira (₦40,000.00) only as annual renewal licensing fee for individuals or companies respectively.

19. Power to borrow money

(1) The Authority shall, in accordance with resolution of its Board and the approval of the Governor/State House of Assembly, or in accordance with any general authority given in that behalf, borrow money by way of loan, overdraft or syndication from any authorised source, and any sum required by the Authority for meeting its obligations and discharging its functions under the enabling law or for any other project or activity and for this purpose may either pledge its property or interest by way of mortgage, fixed or floating debenture or offer any other collateral.

(2) The Authority shall subject to the Regulations Approval Law make resolution of its Board with the approval of the Governor borrow money for its recurrent expenditure, project or activity for which such borrowings are made are recognised or included in its current budget.

(3) The Authority shall, in accordance with resolution of its Board and approval of the Governor, enter into joint venture, partnership or arrangement, with persons, groups, bodies, governments, companies or corporations, local or foreign, for meeting its obligations and discharging its functions under the enabling Law.

20. Power to make regulations

The Authority shall make regulations in accordance with Regulations Approval Law generally for the purpose of carrying into effect the provisions of this Law.

21. Expenditure of the Authority

- (1) The Authority may apply the funds at its disposal—
 - (a) in accordance with all or any of its functions;
 - (b) for the cost of its administration;
 - (c) for the remuneration, honoraria and expenses of the Board members of the Authority;
 - (d) for the payment of salaries, allowances, gratuities or pensions of servants of the Authority—

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- (i) payment of loan and interest in respect of any money borrowed; and
- (ii) payment of taxes, duties or other charges by it under any enactment.

(2) The Authority may with the approval of the Governor make charitable grants to Institutions, Societies, Persons, Bodies, or Schemes which are in the opinion of the Authority, beneficial to the people of the State.

22. Accounts and Audits

(1) The Authority shall keep accounts of its transactions in such form as the Governor may direct.

(2) Two (2) months after the close of the year, the General Manager shall present to the Board for submission to the external auditors a statement of accounts of the Authority.

(3) The accounts shall be audited in accordance with the Audit Law.

23. Annual Reports and Statement of Accounts

Not later than six (6) months after the end of each financial year, the Authority shall submit a full report of its operations during that year and transmit it together with a certified true copy of the audited accounts to the Governor.

24. Registration of Estate Agents (individual)

A prospective Estate Agent must satisfy the following conditions—

- (1) shall be a Nigerian (by birth or naturalisation);
- (2) shall be at least eighteen (18) years of age;
- (3) shall possess a minimum educational qualification of WASC, GCE or NECO School Leaving Certificate or a sufficient level of estate agency.
- (4) shall be a member of any of the following recognised bodies—
 - (a) the Nigerian Institution of Estate Surveyors and Valuers;
 - (b) any recognised professional body in Nigeria;
 - (c) any registered Association of Estate/Rent/Commission Agents and he must show evidence of Registration of Business name.

25. Registration of Estate Agents (Companies)

Before any Company can be registered Estate Agents, it shall show that—

- (1) it is incorporated;
- (2) one of the Directors in the Company is a Nigerian; and
- (3) one of the Directors is a member of section 25(4)(c).

26. Code of Conduct

The following Code of Conduct shall apply in the course of business—

- (1) a licensed Estate Agent shall not carry on Business of Estate Agent in the State except is licensed by the Lagos State Estate Agency and Regulatory Authority;
- (2) a Licensed Estate Agent shall have an ascertained business premises/office within the State;
- (3) a Licensed Estate Agent shall register the business with the Corporate Affairs Commission (C.A.C.);
- (4) a Licensed Estate Agent shall have records of business transactions, and shall open a separate client account;
- (5) a Licensed Estate Agent shall not act for two (2) principals (Clients) on a transaction;
- (6) a Licensed Agent shall be paid his fees by his principal only;
- (7) a Licensed Estate Agent shall not collect money from more than one prospective tenant or purchaser in respect of the same premises and shall remit money collected to the landlord within fourteen (14) days, unless otherwise directed in writing by the landlord and such money collected shall be receipted for;
- (8) a Licensed Estate Agent shall ensure that the prospective tenant or purchaser takes physical possession of the property paid for within ten (10) working days;
- (9) a Licensed Estate Agent shall declare his interest to the client where he is personally interested in any property, which is the subject of any transaction;
- (10) a Licensed Estate Agent shall ensure that his client performs all his obligations to the Government under the existing laws, such as the deduction and remittance of Withholding Tax, Value Added Tax or other charges payable on the property he handles;

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(11) Agency fee(s) shall be as follows—

- (a) Letting/Lease—10 per cent of the total rent collected on any transaction;
- (b) Sale or Purchase of interests in Land and Buildings where two or more agents are retained by the owner/vendor for the sale, the fee shall be the 15 per cent of the total proceeds of sale.

(12) a Licensed Estate Agent shall not prepare any legal document pertaining to any transaction handled by him; every Tenancy Agreement must be prepared by a Legal Practitioner and the fees shall not be more than 12.5 per cent of the total consideration;

(13) a Licensed Estate Agent shall obtain the consent of his principal before collecting money from a prospective tenant or purchaser;

(14) a Licensed Estate Agent shall refund the rent paid by any prospective tenant in case of failure to deliver up physical possession of the premises within fourteen (14) days of collection and any delay in refunding beyond the stipulated time shall attract interest at the prevailing bank rate.

27. Registration of Property Developers

A property Developer shall not practice the business of estate agency in the State without due license from the Authority for that purpose

28. Abandoned or Uncompleted Buildings and Structure

(1) Where it appears to the Authority that any abandoned or uncompleted building, or structure may constitute a nuisance, safety risk, environmental degradation, or a ground for perpetration of criminal activities, the Authority shall serve notice on the owner or occupier of such building or structure either personally or by posting same on the building or structure, requesting the owner or occupier to complete the construction of the building or structure or to do certain things within a period of six (6) months or any such period the Authority shall deem fit.

(2) Where the owner of occupier fails to complete the construction of building the or structure to do certain things within the period specified in the notice, the Authority shall serve a final notice on the owners personally or by posting same on the building or structure, granting the owner or occupier, an additional period of three (3) months to comply with the matters stated in the notice.

29. Presentation of owner

(1) The Authority shall consider representations made by the owner or occupier of an abandoned or uncompleted building or structure or any other tenement who has been served with notice under this Law.

(2) The representation shall contain steps or measures to be taken by the owner or occupier which will facilitate effective compliance with the notice or any other proposal which in the opinion of the Authority will serve the purpose or objective of the establishment Law.

30. Completion of Construction

(1) Where it appears to the Authority that it will be inequitable to issue recommendation to the appropriate authority for the revocation of a right of occupancy, the Authority shall jointly with the owner or occupier of the abandoned or uncompleted building or structure, evolve an arrangement that will serve the purpose or objective of the enabling Law.

(2) In reaching its decision under subsection (1) of this section, the Authority shall take into consideration the representations of the owner or occupier of the abandoned or uncompleted building or structure and the financial implications and viability of such an arrangement.

31. Power to acquire Abandoned or Uncompleted Building

Where after the expiration of the period stated in the final notice, the owner or occupier of an abandoned or uncompleted building or structure fails to comply with the notice, or is unable to convince the Authority, shall issue recommendations to the appropriate authority that the subsisting right of occupancy in the abandoned or uncompleted building or structure be revoked in accordance with the provisions of the Land Use Act, 1978.

32. Compensation

(1) All matters connected with the payment of compensation for the revocation of a right of occupancy under the enabling Law shall be in accordance with the relevant provisions of the Land Use Act, 1978.

(2) Any compensation payable as a result of the revocation of a right of occupancy under the enabling Law shall be made within a reasonable time.

33. Demolition

The Authority shall report to the relevant Ministry, Department and Agency of Government that have the power to demolish any abandoned or uncompleted building or structure which, in the opinion of the Authority constitutes a danger to the health and safety of the public.

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34. Limitation of suits against the Authority

Any suit to be commenced against the Authority shall be subject to the provisions of the Statute of Limitation.

35. Notice of suit to be given to the Authority by intending plaintiff

(1) No suit shall be commenced against the Authority unless one month's written notice of intention to commence the same has been served upon the Authority by the intending plaintiff/claimant or his agent.

(2) Such notice shall state the cause of action, the name and place of abode of the intending plaintiff/claimant and the relief, which he claims.

36. Mode of service on the Authority

Service upon the Authority of Notice referred to above, summon order or other document required or authorised to be served upon the Authority under the provisions of the enabling Law or any other Law, may, unless in a case where there is express provision to the contrary, be served by delivering the same to the General Manager, the Secretary or any other Officer of the Authority or by sending it by registered post addressed to the General Manager of the Authority at the principal office of the Authority, provided that the Court may with regard to any particular suit or document, order service to be effected in accordance with the terms of such order.

37. Seal of Authority

Any document purporting to be a document duly executed or issued under the seal of the Authority or on behalf of the Authority shall unless the contrary is proved be deemed to be a document so executed or issued.

38. Offence and Penalties

Any Estate Agent whether an individual or a corporate body who—

(a) fails to apply for registration under sections 25 and 26 of this Law shall commit an offence and on conviction be liable to a fine of ten thousand Naira (₦10,000.00) only in the case of an individual and fifty thousand Naira (₦50,000.00) only in case of a company;

(b) contravenes or fails to comply with the provisions of this Law shall commit an offence and be liable on conviction—

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- (i) in the case of an individual, to a fine of fifty thousand Naira (₦50,000.00) only for three months imprisonment; and to a fine of ten thousand Naira (₦10,000.00) only each day on which the offence continues to be committed;
- (ii) in the case of a corporate body, two hundred thousand Naira (₦200,000.00) only and to a fine of twenty-five thousand Naira (₦25,000.00) only each day on which the offence continues to be committed.

39. Citation and Commencement

This Law may be cited as the Lagos State Estate Agency Regulatory Authority Law, and shall come into force on 18th May 2007.